Take ten

Ten things I learned from the 2017 Financial Brand Forum.

The Financial Brand Forum is the premier conference for financial marketers. It's the largest conference in the world dedicated specifically to that group. It lasts three days and includes over 50 strategy and how-to workshops given by world-class speakers. Attendees walked away with actionable ideas and practical insights. Some of them could be immediately implemented, some of them would take a while.

That's enough of an advertisement for the Forum. Let's get to what was discussed.

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First, a quick note

To be honest, the outlook of many presenters was not favorable for bank marketers – they were shooting straight and not holding back. But remember, I am the reporter here. I will add a little commentary of my own, but by and large, I am commenting on what I learned at the conference.

I was most inspired by the first keynote speaker, Ray Davis – chairman of the board and former CEO of Umpqua bank. Ray is responsible for pioneering the first customer-centric financial organization. He reimagined what it was to be a bank. The results? When he took the helm in 1994, Umpqua had 6 locations in Oregon and $140M in assets. Today, it boasts 330 locations in multiple states and $24B in assets. While the other speakers and workshops provided many insights that helped form the following takeaways, Ray's sage observation, wisdom and advice is the basis for the bulk of this content — after all, you can't argue with success.

1. Traditional bank marketing is dead.

Those are not my words. Ray Davis said it. Specifically, he said, "It's not dying...it's dead."

Bank marketing is not what it used to be – back when we only had three TV channels and we all took the time to read the morning paper. As marketers, we came up with clever headlines and memorable visuals. We "stayed on brand" by sticking to our fonts and colors and committing to our chirpy jingles. We advertised in the short list of tried and true media outlets. Those were the good times. Sure, banks are still investing in producing amazing ad campaigns – ads that use humor, or unique promotions, or tug at the heartstrings – we sometimes even stop to watch them, or talk about them at the water cooler (which has now been replaced by social media). But for all the incredible creative, Ray noted, no one is changing banks because they saw a funny commercial. The way to get someone to choose your bank isn't by creating an ad campaign, it's through differentiation, culture, and keeping up with a quickly changing world.

> "Even *change* is changing."
>
> – Ray Davis, Umpqua Bank

I loved this quote, because it's so true. In this technological world, change is happening faster than we have ever experienced. Only some companies are keeping pace. Sadly, the financial industry is historically slow, and resistant to change. Those who embrace change will survive. Those who fight it will not win.

2. Reconsider your marketing department.

If your key marketing person is spending their day developing and managing your marketing, advertising, collateral and website, then you may be missing a huge opportunity. When Ray Davis was contemplating how to differentiate Umpqua, how to take it into the future, he questioned the role of the CMO or marketing director altogether. Today, there are too many marketing officers in charge of executing tactics, he explained. “It is too narrow a window for what the job should really entail. The description itself makes it too narrow.”

As part of Umpqua’s growth plan, Davis realized that he needed – and wanted – to expand the horizons of his executives, and part of that was looking at what each of his departments did. What he really wanted the marketing department to do was to enhance the brand and the culture of Umpqua. So, with that, he transformed the department from producers of marketing materials to creators of strategy. He literally named their department Creative Strategies. No longer was this department considered a cost center, but the epicenter of the bank, responsible for enhancing the brand of the company and sustaining it into the future – no matter what came along. This department now is instrumental in all bank functions.

Strategy vs. Tactics

Many organizations have followed this model and have hired more strategic thinkers into this position. They have created special titles such as Chief Strategy Officer, Director of Culture and/or Client Experience and Chief Brand Officer.

Consider that your head of marketing cannot make the impact that needs to be made if he or she is concerned about running a rate ad, creating a product brochure or buying media placements. While those are tactics that need attending to, that shouldn’t be what is driving your marketing department.

3. You sound just like everyone else.

This was a theme that ran rampant through the conference. No offense, banks and credit unions, but many of you really do sound like each other. As an outsider (remember this conference was geared toward bank marketers – not necessarily agencies that help financial institutions with their brand and marketing), my observation was that this has got to be the biggest "me-too" industry going. Many of the people I observed at the conference were lined up to learn what everyone else is doing and how they can buy into it. Never have I seen a group so enthusiastic about following the herd, instead of creating a new path. But certainly, to those I am sharing this with, that is not the case!

How do you stand out? Differentiate yourself. Make a notable brand. Brand Strategy Workshop, The Financial Marketer's Guide to Picking the Right Marketing Automation, and Rewarding Employees to Build an Internal Culture were some of the titles of the workshop titles, and what attendees wanted to hear about.

> "Never have I seen a group so enthusiastic about following the herd."
>
> – Christine Tieri

I sat in on many of the sessions and a few themes bubbled to the top.

Every bank says their people make the difference.

This not only sounds great, it's easily believable. The problem is, if you and every bank in your town is saying this it's really not a differentiator. Note that your people – while I'm sure they are all super friendly, dedicated, knowledgeable, fill in the blank with some endearing attribute – are probably not that much more superlative than the teller, lender, back-office IT guy of the other financial institutions on your block. If you are claiming your people make the difference, they had better be Superman or Woman – able to leap tall buildings in a single bound.

A close cousin to "our people make the difference" is "our customer service is second to none."

Sorry, Charlie, but you can't differentiate on customer service, especially if you are a financial institution. Why? Because – and this is probably the best insight I heard all week – your customer service is only as good as Starbucks, Zappos and Amazon. That's right, because your customer's last interaction with an organization took them less than two minutes to buy a pair of $150 shoes, or a $6 latte and promised that in the near future their merchandise would be delivered to their front door by a drone within 90 minutes of them ordering.

On the contrary, the last time they interacted with your bank, they needed to remember complicated user names, passwords, the place they were born, their high school mascot and first cousin, and then had to click no less than five times to get to a place to pay a bill that was due tomorrow. Which they quickly learned wouldn't actually be paid for three days, making their payment late. The only solution being to call an 800 number to go through an excruciatingly long phone tree that finally informed them your institution was open between the hours of 8 a.m. and 7 p.m. and sorry, but by now it's 7:05 and you will have to call tomorrow. So unless you can compete with all the other amazing customer service organizations out there, don't try to use that as a differentiator.

Every bank says they are trustworthy.

To be more accurate, I should say that every community bank and credit union says they are trustworthy (sorry, Wells Fargo, but you made your bed). Yes, you have "trust" in your name, in your tagline or in your URL – everyone else does too. This is not a differentiator; it is the price of entry. The cost of doing business. You are a financial institution; we put our money with you because we are supposed to trust you will keep it safe.

Every financial institution says "Customers first," or "We're customer-centric" (member-centric for Credit Unions).

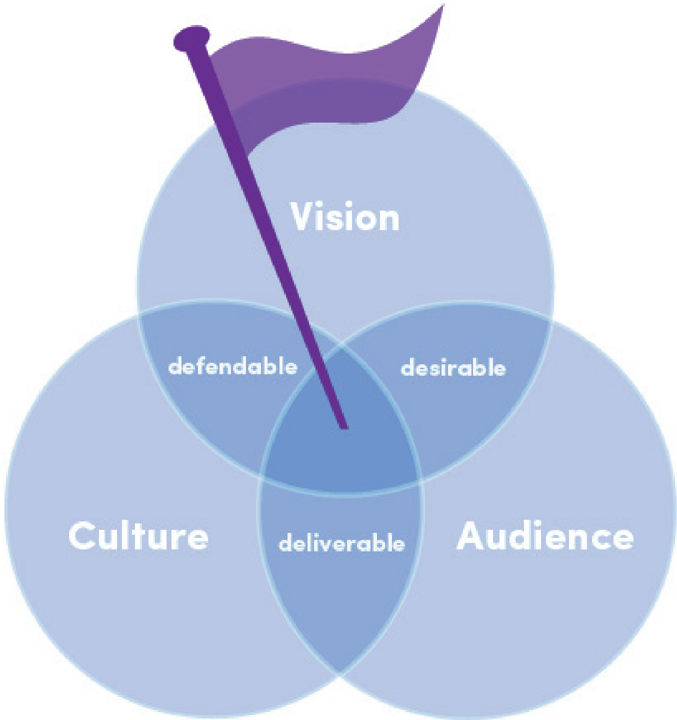
That is awesome that you do put your customers first, but don't you think that anyone who has ever owned a business needs to put their customers first or they wouldn't actually be in business? So why do financial institutions think this is a differentiator? No one would ever claim (even if it were true), "We actually put our C-suite, our board, our holding company first." So, how is customer-centric a differentiator?

Please do not say that you have better products or technology.

Because chances are you don't. You can't compete with the proprietary likes of Bank of America, JP Morgan Chase and Citigroup. As Ray Davis said (love that guy), you can't out-tech, out-spend, out-resource, out-price the big guys. So, you need to find something else. Products are a commodity; you might have a great rate one day, but some other institution will beat you on another day. Your checking account may be blue, while someone else's is green. Your mobile app will never be as good as the big guys. Five minutes after remote check-deposit came out from Bank of America, it was old news. Don't try to stand out on products or technology; your online branch is not your differentiator.

There was plenty more commentary along this line, but I risk insulting the very people I'm trying to appeal to.

Just remember, I'm the messenger! Regardless, I hope this shines a fresh light on the fact that you need to find a differentiator.



What is a real differentiator? Remember, your brand is your claim of distinction. But it's not just a claim; there has to be evidence of performance. If your claim is "our people are the best" then what is the one thing in particular that makes them so great? What is the one thing that you can prove beyond a shadow of a doubt that you truly do differently – and better – than the bank down the street?

Ask yourself, what is your stake in the ground that:

- You can defend better than anyone in your marketplace
- You can deliver on a consistent basis
- Resonates and is desirable by your audience

When you go through the effort (might I recommend our proprietary PURPLE™ process for brand development?) of finding your true differentiator, then you can build a strong brand that will stand out in the marketplace.

This is what consumers expect:
(So, in other words, don't waste your advertising dollars touting these features, and definitely don't consider them a differentiator.)

- Low fees
- High interest rates
- Convenient branch locations
- Wide range of services
- Online branch
- Mobile apps
- Free or almost free checking products
- Access to ATMs
- Promotional CDs
- Easy loan process
- Remote deposit capture (seriously, this is so last week)

4. Believe in brand.

As I always say, brand is not a logo, jingle or your tagline – it is an experience. As a Certified Brand Strategist, the teaching of brand is what I do. I was happy to see so many workshops dedicated to brand, but here is one quote that was cited that really brings home what a brand is:

> “Consumers build an image of a brand as birds build nests – from the scraps and straws they chance upon.”
>
> – Jeremy Bullmore, AAA

This basically says that no matter what messaging you put out there, your brand lives in your consumers’ minds. Your image is the sum of what someone experiences when they interact with your brand through real-life experiences, on the web, through marketing or by using your products and services.

Back in the day, coffee was 35 cents a cup. Inflation aside, people are now willing to pay north of $6 for their choice of foamy topped caffeinated beverage. That isn’t because coffee costs so much more. It’s because they are buying a brand, an experience. There is a reason why people are willing to pay a premium price for the likes of Tiffany and Chanel when they could probably get a really swell piece of jewelry from Kay’s or lipstick from Revlon. Strong brands stand for something. Something your employees and your customers believe in. It is your stake in the ground, and it is not going away. In fact, in the financial industry, it’s all you have. Because – as mentioned before – everyone else has the same products, services and people that you do. When you find your differentiator that is defendable, deliverable and desirable, that is when people will do business with you.

5. What is the branch of the future?

So, isn't this the million-dollar question?!

Not only was this a hot topic among attendees, but there were tons of vendors showing their wares at the conference, from design-build experts, to experiential developers, to branch design strategists. I hope they weren't all deflated when Ray Davis (my hero) said, "Your branch is just a very expensive billboard."

The truth is, people are conducting more and more transactions online. The ironic thing about how financial institutions treat technology is that they basically say, "Don't come into the branch, you can do everything online." Then they are disappointed when no one comes into the branch. It's imperative that banks reimagine what the branch is and its role is in the institution. Branches are closing down across the country, but there are still consumers who want to know you have a brick-and-mortar presence. So how can we reinvent the branch in a way that provides a presence, but also offers something of value, and gives a reason for being?

It's up to you to keep your branches relevant. Brainstorm with your people on 10 new ways to use the space. How can you cross promote your brand while people are there? If you are going to have brick and mortar, put it to use for your audience, your community. Here are a few examples I learned at the conference:

- Showcase your clients and local companies – actually put their products in your store, take orders for them, make the transaction for them. Offer networking opportunities to introduce your clients to each other and the public to your clients.

- Become a center for advisement and education. But if you do this, make sure you are not just doing the same old banking tasks. Provide real advisors poised to help solve real problems. Create educational programs that engage and people will seek them out.

- While sponsoring unique branch activities isn't new to banks and credit unions, what are some events you can hold that underscore who you are as an institution? Provide customer appreciation cookouts, welcome seniors in to learn about computers, offer free holiday gift wrapping, or a family photo day. What does your bank or credit union stand for? Choose activities that support your position.

- Many of the organizations attending the conference were community banks and credit unions. These institutions have the perfect opportunity to be part of their community by using their real estate. Many have community rooms that they open to the public for educational classes (finance and otherwise), for yoga or exercise, for local associations and clubs, for whatever it takes to illustrate they are part of the fabric of the community. If you have a community room, now is the time to really put it to use.

When Ray transformed Umpqua, he stopped calling his branches "branches" and started calling them "stores." That shifted the whole mindset about the use of the property and instilled more of a retail approach. The bottom line is, the traditional bank branch is evolving, and there is no crystal ball to tell us what the right design is for success. You need to create something unique, that ties in with your brand, that helps support who you are at your core. As Ray said, "Figure it out."

6. Millennial isn't a dirty word, it's your future

Millennials get a bad rap (sometimes well-deserved, sometimes not), but one stat published at the event said, "Millennials will be 75% of the workforce come 2025." I'm bad with math, so I can't verify this, but if that is the case, we had better all learn how we are going to deal with them – both from a consumer and an employer standpoint. While some certainly feel entitled and that they should be promoted to CEO by age 25 (I've interviewed a few like this), many others work hard for their money and are coming to learn what a dollar will buy them. They are making choices to spend their money with companies (brands) they believe in. With this group, more than any other in history, your products may not matter as much as your purpose does. This group wants to buy into your culture and what you stand for. They want to buy something that goes beyond a product or a service. Even when seeking jobs, they aren't just looking for employment but for the "why" you do what you do.

As part of our brand discovery process, I always conduct a "Why Interview" with the CEOs of our clients. Taken from the teachings of Simon Sinek (author of "Start with Why"), this is possibly the most crucial part of the process. I help uncover the purpose of the leader and the organization itself in order to plant the seeds for positioning.

> "Millennials will be 75% of the workforce come 2025."

7. Making the switch is actually not easy.

We all know that it's hard to get someone to switch banks or credit unions. In fact, you all have many employees who don't even bank at your own institution. Why is that?

Because switching is scary.

From a banker's perspective, what's the big deal?

Step 1: open new account.
Step 2: done.

From a consumer perspective, closing out their checking account is not only scary, it's downright terrifying. After all, it's the financial engine that runs most all of an individual's money.

Step 1: Consider if things are really bad enough at my current institution that I really need to make a switch.

Step 2: Research banks I might want to move my money to.

Step 3: Ask all my friends, family, and social media contacts where they do their banking.

Step 4: Check out the shortlist online: websites, review sites, competitive sites.

Step 5: Make a decision.

Step 6: Open the new account.

Step 7: Fund the new account.

Step 8-27: Move every single direct deposit, bill-pay, mortgage transfer, credit card payment, monthly loan payment, etc., to new account.

Step 28: Be prepared for at least one transaction to slip through the cracks and allow for multiple hours on the phone trying to get to the bottom of it.

Step 29: Call all three credit bureaus to make sure lost transaction is not going to affect your credit rating.

Step 30: Close out the other account and hope there isn't any rogue action you didn't take care of.

It's enough to make someone stay with their regular bank. Which, by the way, is why 25% of all customers consider switching, and nearly half never pull the trigger. It's too exhausting! And it's scary. And we don't get it, because we don't offer very much help. So, here are a few tips that were shared:

- Provide step-by-step instructions.
- Create a checklist to track everything.
- Give access to personalized customer service support (a switch coach or concierge).
- Make it as automated as possible.
- Provide a smooth switching guarantee.
- And, most of all, acknowledge this is a BIG deal. Show empathy, be helpful, and reward your new customer for their efforts.

8. Marketing automation – you can't ignore it any longer.

It was said that 40%-47% of CMOs in the financial industry plan to invest in updating their CMS or in a new brand new system alltogether. Why is this higher than CMOs in other industries? Because other industries have already adopted these marketing tools.

But much like the fear of a consumer switching banks, the financial marketer has a fear of taking on a marketing automation platform. Here are the biggest pain points:

- We need a system, but it's going to be a hard sell to the CEO and CFO.
- Is this a marketing initiative, a sales initiative or an operational initiative? (By the way, the answer is yes).
- Do we use it as our core CRM or does it work with our core CRM?
- There are too many platforms to choose from.
- If I recommend it, will I be tasked with the huge undertaking of setting it up, integrating it with current systems and training everyone on it?
- What if I pick the wrong platform?

These are all valid concerns and the best way to go about it is this is methodically:

1. Be really clear about what it is you want to accomplish.
2. Don't hold back; outline all the problems you hope the platform will solve.
3. Try to anticipate any future challenges or initiatives you might be taking on (plans for acquisition, aggressive growth, new markets, expanded sales team, etc.)
4. Prioritize your list and create a rubric for each of the topics.
5. Start your search for the right platform.

Not only will this get you to the right tool, but it will provide backup to get buy-in from the people and departments that need to get on board.

Here at Idea Agency, we are Hubspot agency partners. We can facilitate the setup and provide expert services or training to fulfill your strategy.

Marketing automation platform comparison:

MAP Platform	Role admin	Data governance	Program automation	Multi-channel nurture	Personalization	Testing	Sales enablement	Scoring	Reporting	Usability	Viability	Service and support
Act-On	★★★	★★	★★★	★★★	★	★★★	★★★	★★	★★★	★★★	★★★	★★
HubSpot	★	★	★★	★★	★★★★	★★★	★★★	★★★	★★	★★★	★★★	★★★
IBM Silverpop	-	★★★★	★	★★★	★★	★★	★★★	★★	★	★★	★★★	★★
Marketo	★★★	★★	★★★	★★★	★★★★	★★★★	★★★	★★★	★★★	★★★	★★★	★★★
Microsoft Dynamics Marketing	★★★★	★★★★	★	★★	★	-	★★★	★★★	★★★★	★★★	★★★★	★★
Oracle Eloqua	★★★	★★★★	★★	★★★★	★★★★	★★★★	★★★	★★★	★★★	★★★	★★★★	★★★
Pardot	★★★	★	★★★	★	★★	★★★	★★★	★★	★★	★★★	★★★	★★
Salesfusion	★★	★★★	★	★	★	-	★★★	★★★	★	★★★	★★	★★
Sitecore	★★★	★	★★	★	★★★★	★★★★	★★	★	★★	★	★★	★★

No stars = Far below industry standard

★ = Below industry standard

★★ = Industry standard

★★★ = Above industry standard

★★★★ = Far above industry standard

Source: SiriusDecisions

9. Everyone has a corporate culture, whether you know it or not.

This was a quote from Ryan Kilpatrick, who was instrumental in transforming his financial institution from Community Trust Bank to Origin Bank. Ironically, he noted that every bank says they're about community, and every bank is either called "Trust" or claims they are trustworthy (see page 7). Community Trust knew they needed to make a change, and the charge was to create a brand that really stood out.

Acknowledging that brand and culture are woven tightly together, they set out to define their culture first.

Taking a page from Umpqua bank – and in fact sending a team to Umpqua to learn more about their secret sauce – they even created a department called Culture Strategies (see page 4). Clearly, they were committed to actually seeing change. In going through a thorough brand development process, they chose Origin after a point or place where something begins or is created. Their ethos is that their culture is the starting point and that is what will drive their brand strategy.

Every employee receives a culture book and the bank has a culture council composed of internal staff members who help their 700 employees across multiple states live and breathe the brand. Their culture guides their future and they are in charge of creating unique banking experiences that educate and delight their customers.

So, next time you walk around your office and branches, look around. What do you see? What do you hear? How do your employees interact with customers, with each other? What is the vibe in the lunchroom? What do your employees do in the community? What would they tell their friends and family about working at your institution? How would they explain your organization to a prospective customer? Whatever those things might be, that is your culture.

10. Understanding your audience and personalizing your message.

Mass marketing is out, and customization is in. Luckily, it's easier than ever to understand who your audience is and to be able to provide useful, relevant, information and content that can help them in their life. In return, they begin to see you as a trusted advisor or even a friend. Not a friend in the someone-you-want-to-hang-out-with way, but a friend in the always-there-for-me-when-I-need-them way.

To understand your audience, you have to start with segmentation. Divide them according to their demographics, but perhaps more importantly, understand their motivations. Next, develop buyer personas that capture the ideal customer. These aren't just summaries of your findings, they are personifications that help you visualize who you are talking to. Next, create customer journey maps. This process will uncover your prospects' pain points, motivations, risks and rewards.

Kelly McDonald, of McDonald Marketing and author of "How to Market to People Not Like You," spoke about customization and personalization in marketing. One terrific quote from her was, "Helping beats selling. If you help me, you're going to sell me. And if you help me, you don't have to sell me. We don't need information, we need advice." This is a philosophy I totally subscribe too. GenX and Y have rejected mass and chosen customization in its place. People want customization and a variety of choices for themselves and their kids. For instance there are kiosks to build your own sandwich or create gourmet burgers. The entire business model around mass production needs to be rethought.

Another interesting insight is that people want to see your name. Whether it's Facebook or a phone call, people want to know who is reaching out to them. They want to be addressed in a personalized way. Successful advertising campaigns are now featuring real families instead of actors, people with tattoos (after all, 40% of people 18-35 have 4 tattoos), and people in nontraditional situations. The bottom line is that people want to see people as they are. They don't expect or even want perfection. They want customization and relatability.

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Here at Idea Agency, we believe in a dual strategy of building bold brands that command long-lasting attention, and creating high-performance marketing activities that connect with consumer to drive results. Our one-two combination of brand development and performance marketing will transform your business in ways you never before imagined.

BRAND DEVELOPMENT

We build and transform brands by aligning management's vision, internal culture and audience desires in order to stake your unique position in the marketplace.

PERFORMANCE MARKETING

We move product and services by creating high-performance marketing strategies to generate successful campaigns that drive results and transform your business.

- Brand building
- Research
- Creative & content
- Web design & development
- Inbound marketing
- Integrated marketing

Christine Tieri

PRESIDENT,
CERTIFIED BRAND
STRATEGIST

With a passion for problem solving and a quest for continuous improvement, Christine works with business, brands, communities and individuals to create transformations never before imagined. As the only Certified Brand Strategist in New England, Christine is driven to discover her clients' unique position to help them put their stake in the ground, and align their business, brand and marketing strategies.

Amongst the many creative awards bestowed upon her agency, Christine has been named Business Person of the Year by her local Chamber of Commerce, and Outstanding Woman in Business by the Worcester Business Journal.

Christine is a sought-after speaker on brand, integrated marketing, and ideation. She is the author of BrandStanza.com – little ditties that build big brands.

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